

A stylized globe graphic in a light green color, featuring a grid of latitude and longitude lines. It is positioned on the left side of the slide, partially overlapping the dark green background.

# Cross-Border Issues

## Challenges and Perspectives

**Federico Ruanova**

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# Mexican Constitutional Provisions

Article 27 of the Mexican Constitution grants to the Mexican Nation the sole right to:

- Exploit oil and hydrocarbons;
- Generate, conduct, transform, distribute and supply power for the purpose of rendering a public service.

# Power Generation Infrastructure (2002)

Most of Mexico's generation capacity is based on vapor or hydroelectric conventional power plants;

High-energy demand offers opportunities for private investment in the development of infrastructure.

Mexico needs to invest approximately 34 billion dollars during the period of 2001 to 2006 to expand and modernize its power generation infrastructure.

# Private Investment

**In 1992 the Electric Power Public Service Law was amended to allow private investment to participate in the following activities:**

- 1. Self-Supply;**
- 2. Co-Generation;**
- 3. Small Production;**
- 4. Independent Power Production (IPP);**
- 5. Power Import and Export.**

**These activities are not deemed a public service.**

# Opening-up the sector to private investment

- Constitutional amendments:
- Amendments to the Law of Public Service of Electrical Energy.

## Cross-Border Issues

De-regulation vs government control;

Market vs social needs;

Is new infrastructure on the Mexican side of the border justified?

## Environmental Issues

- Land Use;
- Environmental Impact Permitting;
- Renewables / Climate Change;

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